

WAGES NEEDED TO QUALIFY FOR THE RECEIPT OF UNEMPLOYMENT BENEFITS

Since unemployment insurance is intended to benefit those individuals temporarily removed from the labor force through no fault of their own, a prerequisite to the receipt of benefits is a demonstrated attachment to the labor force. Vermont, as well as all other states, determines attachment to the labor force in part by requiring an individual to have earned a certain amount of wages over a period of time immediately preceding his or her claim for benefits. This is referred to as “monetary eligibility.”

Minimum Qualifying Wages

- In order to qualify for benefits, an individual must have earned wages of at least \$2,099 in at least one calendar quarter of their base period. (Establishment of the base period is discussed below). This dollar amount adjusts annually by a percentage equal to the percentage increase of the state minimum wage in the prior calendar year.
- In addition, the remaining wages in the individual’s base period must equal or exceed 40% of the wages paid in the highest earnings quarter.

Establishing a Base Period

- An individual’s base period is comprised of the first four of the last five *completed* calendar quarters. For example, an individual who files an initial unemployment claim on July 10, 2009, would have a base period consisting of the last nine months of 2008 and the first three months of 2009.
- If an individual is determined not to be monetarily eligible using the method described above, the department automatically attempts to qualify them using an alternate base period consisting of the last four completed calendar quarters. 19 other states also allow for alternate base period qualification.
- If an individual is determined not to be monetarily eligible using the alternate base period, a second alternate base period may be used, consisting of the last three completed calendar quarters plus any wages earned in the immediate calendar quarter. This requires the department to contact employers directly for current wage information, as quarterly wage reports will not have been filed yet.

Examples of the different monetary methods:

Initial claim filed on:	All base periods consists of four consecutive quarters (oldest used first)		
	Method 1	Method 2	Method 3
7/16/2009	2 nd qtr 2008		
	3 rd qtr 2008	3 rd qtr 2008	
	4 th qtr 2008	4 th qtr 2008	4 th qtr 2008
	1 st qtr 2009	1 st qtr 2009	1 st qtr 2009
	2 nd qtr 2009	2 nd qtr 2009	2 nd qtr 2009
			3 rd qtr 2009 (up to claim effective date)

WHAT WAGES CAN BE USED TO ESTABLISH ELIGIBILITY FOR BENEFITS AND ARE SUBJECT TO THE UNEMPLOYMENT TAX?

All remuneration paid for services rendered by an individual, including commissions and bonuses and the cash value of all remuneration paid in any medium other than cash. In addition, any payment defined as a wage in FUTA is automatically a wage in Vermont. Wages do not include:

- Payments made by the employer for employee medical, accident or disability insurance.
- Payments made for employee life insurance.
- Workers' compensation premiums or wage replacement payments.
- Payments made into a trust defined in 401(a) or 403(a) of the Internal Revenue Code.
- Drill pay paid to National Guard or Reserve Members by the Federal Government.
- The payment of any federal tax imposed on the worker by the federal government such as FICA.

CALCULATING THE WEEKLY BENEFIT AMOUNT (WBA)

1. Find highest quarter in the monetary method being used.
 - a. Must have 40% of highest quarter of wages in the remaining quarters within the method being used. Example: 2/08 wages = \$4,000, wages in 3/08, 4/08, and 1/09 must equal or exceed \$1,600.
 - b. If 40% qualifier met, continue; otherwise move to next method and perform same test
2. Divide 2 highest quarters (within method being used) by 45 – round up.

Examples of calculating a WBA: All examples assume the individual filed an initial claim on August 18, 2009, which would create a benefit year beginning on 08/16/09. (A benefit year is always effective the Sunday preceding the date the initial claim is filed.)

		Method 1	Method 2	Method 3
		Wage Credits		
Example 1: Initial claim filed on 8/19/09	2 nd qtr 2008	\$4,000		
	3 rd qtr 2008	3,200	3,200	
	4 th qtr 2008	2,300	2,300	2,300
	1 st qtr 2009	2,800	2,800	2,800
	2 nd qtr 2009		6,000	6,000
	3 rd qtr 2009	(up to claim effective date)		1,000
WBA =		\$160.00		

		Method 1	Method 2	Method 3
		Wage Credits		
Example 2: Initial claim filed on 8/19/09	2 nd qtr 2008	\$9,000		
	3 rd qtr 2008	1,000	1,000	
	4 th qtr 2008	1,500	1,500	1,500
	1 st qtr 2009	1,000	1,000	1,000
	2 nd qtr 2009		2,050	2,050
	3 rd qtr 2009	(up to claim effective date)		2,100
WBA =		0 (a)	0 (b)	\$92
(a) doesn't have 40% of high quarter in remaining quarters				
(b) doesn't have minimum quarter (\$2,099)				

MAXIMUM WEEKLY BENEFIT AMOUNT

Vermont's current maximum weekly benefit amount (WBA) is currently \$425.00. While the maximum WBA is subject to change every July, the 2009 Special Session frozen it at \$425.00 until June 30, 2010.

All claimants found monetarily eligible for benefits, if unemployed, are entitled to a maximum of 26 full weeks (equal to their maximum weekly amount) of payment throughout the benefit year.

Vermont Unemployment Benefits									
	2008	2007	2006	2005	2004	2003	2002	2001	2000
Max WBA	\$425	\$409	\$394	\$385	\$371	\$359	\$351	\$312	\$298
% Eligible for Max *	23	22.8	21.5	22.7	22.3	29.2	31.2	32.9	29.2
Average Benefit Payment	\$283	\$277	\$266	\$257	\$245	\$244	\$249	\$223	\$206

*Individuals are only eligible for maximum weekly benefit amount if they have wages totaling \$19,125 in two of the base period quarters, as well as meeting other monetary eligibility requirements (40% of high quarter in remaining quarters and one quarter equal to or above minimum qualifier).

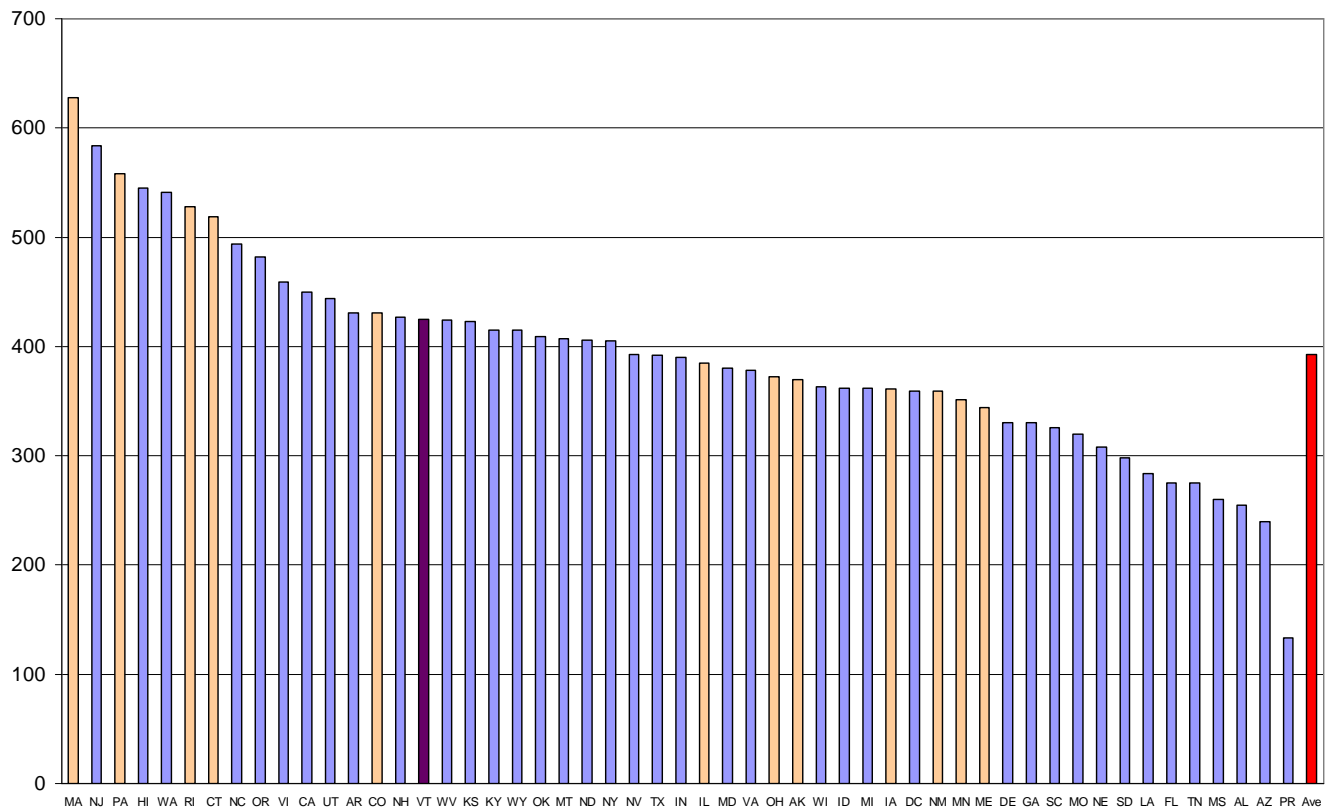
MAXIMUM WEEKLY BENEFIT AMOUNT - NATIONALLY

12 states denoted with orange lines below a variable maximum WBA. Amount indicated in the chart below is the minimum amount, with it most commonly increased by a dependency allowance.

Examples:

- Maximum WBA in Massachusetts could increase to \$942 for an individual with 13 dependants.
- Maximum WBA in Maine could increase \$516 for individuals with 18 dependants.

Maximum Weekly Benefit Amount - January 2009



MAXIMUM NUMBER OF WEEKS AN INDIVIDUAL CAN RECEIVE DURING A BENEFIT YEAR

Regardless of an individual's attachment to the workforce, Vermont is one of only 10 states that guarantees 26 weeks of state benefits to all claimants. Most states, as noted below, consider the base period wages in determining the maximum amount of benefits and therefore the number of weeks available under the Regular benefit program.

State	Calculation of number of benefit weeks	# of weeks	
		Min	Max
FL	25% of BPW up to \$7,150	9	26
UT	27% of BPW	10	26
MI √	43% of BPW	14	26
PA √	A worker with at least 18 credit weeks for 26 weeks; with at least 16 credit weeks, is eligible for 16 weeks. Credit week = \$50 or more earned	16	26
NC √	BPW divided by HQW times 8 2/3	13	26
CA	Lesser of 1/2 of BPW or 26 times WBA	14	26
DC	Lesser of 1/2 of BPW or 26 times WBA	19	26
VA	Lesser of 1/2 of BPW or 26 times WBA	12	26
DE √	Lesser of 1/2 of BPW or 26 times WBA	24	26
AL and KY; SD √	Lesser of 1/3 of BPW or 26 times WBA	15	26
KS	Lesser of 1/3 of BPW or 26 times WBA	10	26
MN	Lesser of 1/3 of BPW or 26 times WBA	11	26
MO	Lesser of 1/3 of BPW or 26 times WBA	8	26
NE	Lesser of 1/3 of BPW or 26 times WBA	14	26
NV; AZ √	Lesser of 1/3 of BPW or 26 times WBA	12	26
OR	Lesser of 1/3 of BPW or 26 times WBA	3	26
SC and VI; CO √ MS √	Lesser of 1/3 of BPW or 26 times WBA	13	26
WA	Lesser of 1/3 of BPW or 26 times WBA	1	26
IA « and AR √	Lesser of 1/3 of BPW or 26 times WBA	9	26
ME √	Lesser of 1/3 of BPW or 26 times WBA	22	26
GA	Lesser of 1/4 of BPW or 26 times WBA	6	26
TN	Lesser of 1/4 of BPW or 26 times WBA	13	26
NJ	Lesser of 100% of weeks worked in BP times WBA or 26 times WBA	1	26
OH √	Lesser of 20 times WBA plus WBA for each qualifying week in excess of 20 or 26 times WBA	20	26
TX	Lesser of 27% of BPW or 26 times WBA	10	26
IN « √	Lesser of 28% of BPW or 26 times WBA	8	26
WY	Lesser of 30% of BPW or 26 times WBA	11	26
RI	Lesser of 36% of BPW or 26 times WBA	8	26
MA √	Lesser of 36% of BPW or 30 times WBA	10	30
WI √	Lesser of 40% of BPW or 26 times WBA	14	26
NM	Lesser of 60% of BPW or 26 times WBA	16	26
AK	Weighted schedule of BPW to HQW	16	26
ID	Weighted schedule of BPW to HQW	10	26
MT	Weighted schedule of BPW to HQW	8	28
ND	Weighted schedule of BPW to HQW	12	26
OK	Weighted schedule of BPW to HQW	18	26

« Other conditions considered √ Also has seasonal provisions

Source - Comparison of State Unemployment Insurance Laws 2009

BPW = Base period wages WBA = Weekly benefit amount HQW = High quarter wage

**RANKING OF STATES' BENEFIT PAYMENTS PERCENTAGE OF TOTAL
WAGES
12 MONTHS OF DATA THROUGH THE FIRST QUARTER OF 2009**

State		Rank	State		Rank
RI	1.60%	1	KS	0.83%	28
OR	1.54%	2	WV	0.77%	29
MI	1.54%	3	DE	0.77%	29
PA	1.42%	4	GA	0.73%	30
ID	1.33%	5	FL	0.72%	31
NJ	1.30%	6	NM	0.71%	32
NV	1.29%	7	TN	0.70%	33
WI	1.22%	8	MS	0.69%	34
VT	1.22%	8	MD	0.67%	35
HI	1.19%	9	NY	0.66%	36
IN	1.18%	10	UT	0.62%	37
KY	1.14%	11	MO	0.62%	37
MA	1.12%	12	AK	0.60%	38
AR	1.04%	13	NH	0.56%	39
WA	1.03%	14	WY	0.55%	40
IL	1.01%	15	ND	0.53%	41
CA	1.00%	16	CO	0.52%	42
OH	0.96%	17	AZ	0.52%	42
MT	0.96%	17	OK	0.48%	43
PR	0.96%	17	TX	0.44%	44
IA	0.95%	18	DC	0.44%	44
SC	0.95%	18	VA	0.41%	45
CT	0.94%	19	NC	0.38%	46
MN	0.92%	20	NE	0.38%	46
AL	0.88%	21	LA	0.35%	47
ME	0.86%	26	SD	0.26%	48
VI	0.85%	27	US	0.88%	

12 months of Data thru the first quarter of 2009

DURATION OF UNEMPLOYMENT BENEFIT

Individuals who qualify for a benefit and meet all eligibility requirements may receive up to 26 full weeks of Regular benefits. However, experience has shown most individuals do not file for 26 weeks as indicated below. Generally the duration of benefits is lower in Vermont than is found nationally.

Unemployment Benefits – Average weeks of duration (Regular benefits)									
	2008	2007	2006	2005	2004	2003	2002	2001	2000
Vermont	15.4	15.6	15.4	14.7	15.6	15.3	15.5	12.3	13.2

PAYMENT OF BENEFITS

Provided an individual meets all eligibility requirements, a totally or partially unemployed worker will be paid benefits after filing a **weekly claim**. A weekly claim is generally filed by calling a toll-free number or over the Internet and consists of answering 8 questions. Confidentiality and integrity of claim information is protected by the use of a Personal Identification Number (PIN), which is created and known only by the claimant.

Assuming the answers to the weekly claim question do not raise any issues needing to be explored further, payment is promptly made by direct deposit or issuance of paper check. (VDOL hopes to pay all benefits either by direct deposit or debit cards within the next year.)

IMPACTS ON THE AMOUNT OF BENEFITS PAID

The maximum weekly benefit amount (WBA) is reduced in the following situations:

- Working part time: Gross wages in excess of 30% of his or her WBA or \$40 (whichever amount is greater) is deducted from the maximum WBA. Examples:

NOTE: Any individual working 35 or more hours is considered “totally employed” and not entitled to a partial payment.

WBA	Disregarded Earnings	Gross Earnings	Adjusted earnings (deducted from WBA)	Amount Received in UI	Total income for week (UI + Earnings)
\$425.00	\$127.50	\$400.00	\$272.50	\$152.00	\$552.00
283.00	84.90	300.00	215.10	67.00	367.00

- Child Support obligations
- Repayment of previously overpaid benefits or satisfaction of penalty weeks assessed as a result of previous fraudulent filing
- Pension paid 100% by a base period employer
- Receipt of vacation pay, wages in lieu of notice, severance pay (under certain situations), back pay or settlement award

PROCESS AND STATS RELATED TO UNEMPLOYMENT CLAIM

Individuals who find themselves either partial or totally unemployed for the first time need to call the Unemployment Claims Center's Initial Claim toll-free line at 1-877-214-3330.

Individual who have already established a claim may choose to re-open their existing claim on-line at www.labor.vermont.gov or by calling the Initial Claim line.

Once the individual has filed their initial claim or re-opened his or her existing claim, the following processes occur, many of which occur automatically (denoted by √).

- √ Notice sent to employer seeking separation information to be returned (when applicable) within 10 days; notice may also request validation of base period wages and note return to work date (if provided by individual filing).

2008 Statistics:

- ü 56,968 sought to establish a claim for benefits.

- √ Assuming the individual did not advise VDOL of potentially disqualifying issue(s) and the employer does not return the notice with issue(s) indicated, payment is released on 11th day.

2008 Statistics:

- ü 92 % of those eligible for benefits receive the first payments within 14 days

- In cases where the individual or employer has indicated an issue, a process called “fact finding” occurs, which requires a VDOL Adjudicator to gather more information to enable the issuance of a determination detailing allowance or denial of benefits and impact such determination has on the employer's experience rating. Interested parties by appeal the determination within 30 days. First two levels of appeals are de novo, at no cost to either party. A third appeal may be filed with the Supreme Court.

2008 Statistics:

- ü More than 73% of the initial claims filed did not required fact finding
- ü Of the 15,263 determinations issued, 32% were allowed with no penalty
 - 34% of the determination issued included an indefinite disqualification, with the remaining 66% including a postponement of benefits generally between 1 to 12 weeks
- ü Only 14% of 15,263 determinations issued were appealed to the first level
- ü 40% of those appealed to first level resulted in the Adjudicator's findings being changed
- ü Only 12% of first level appeal decision appeal were appealed to a second level
- ü 11% of those appealed to second level resulted in a change in the first level's decision
- ü 6% of second level appeal decision appeal to Supreme Court
- ü 0 % of those appealed to Supreme Court where second level appeal finding were changed

WHAT MIGHT DELAY OR DISQUALIFY A WORKER FROM RECEIVING BENEFITS?

Able and Available. A claimant's attachment to the labor market is determined, in part, by his or her physical ability to perform work and, availability to look for and to accept suitable work when offered.

a. Able to work. To be eligible to receive unemployment benefits, a claimant must be physically able to perform work. If the claimant cannot physically perform any work at all, he or she is not attached to the labor market and, therefore, is not eligible to receive unemployment benefits.

There is one narrow exception to the rule requiring claimants to be physically able to work in order to receive benefits: if the disabling health condition or injury occurs after the claimant files a claim for benefits, the claimant may, nonetheless, be eligible to file for and receive so-called "illness/disability" benefits, even though he or she is unable to work as the result of that condition or injury. In such cases, however, the claimant's right to continue receiving benefits will be cut off if he or she refuses an offer of suitable work.

b. Available for work. Availability for work is another aspect of a claimant's attachment to the labor market. To be eligible to receive unemployment benefits, a claimant is obliged to be *reasonably available* for suitable work to establish his or her continuing attachment to the labor market. Simply put, that means a claimant must be willing to look for, and to accept suitable work when offered. A claimant who unreasonably limits or restricts the type of work he or she is looking for, or who otherwise doesn't make an adequate search for work, is "unavailable" for work and denied benefits for each week of such unavailability.

Not every restriction imposed by the claimant on his or her search for work is unreasonable; a claimant may restrict his or her search for work for "good cause," if doing so is necessary and reasonable. For example, parental responsibilities may amount to "good cause" for a claimant to restrict his or her search for work to certain shifts. In such cases, benefits may be terminated if the restriction substantially impairs the claimant's attachment to the labor market.

Separation from employment. Unemployment benefits are available to those who are unemployed through no fault of their own. Thus, claimants laid off from work as the result of an economic downturn are entitled to benefits, so long as they continue to look for work. Other causes of unemployment which, under the unemployment compensation statute, are deemed not to be the claimant's fault include instances in which a claimant quits employment for "good cause attributable to the employer", or, is discharged by the employer for reasons other than "misconduct." The quoted terms just mentioned are taken from the state's Unemployment Insurance law, and have a special meaning, more fully explained below.

Voluntary quit. A claimant is disqualified for benefits if he or she quits a job "without good cause attributable to the employing unit [employer]". 21 VSA Section 1344(a)(2)(A). Generally speaking, this provision is intended to disqualify for benefits those claimants who quit work for personal reasons. For example, a claimant who quits a job to move out of state with a spouse or partner is disqualified for benefits, because the reason for leaving work is purely personal and has nothing to do with the job itself or

working conditions. Under Vermont's unemployment compensation statute, a person who quits a job without good cause attributable to the employer is effectively disqualified for benefits for the duration of his or her unemployment; to restore eligibility for benefits, the claimant must return to work and earn six times his or her weekly benefit amount.

Vermont has a special provision which, under certain conditions, allows a claimant to receive unemployment benefits if he or she had to quit work as the result of domestic or sexual violence. See 21 VSA Section 1251 and following sections. The source of funding for benefits paid in such cases is not the employer-funded Unemployment Insurance Trust Fund but, rather, the State's General Fund.

(i) Other states. Most other states impose similar "earnings requirement" disqualifications on claimants who leave work without good cause attributable to the employer. A few states impose a disqualification for a fixed period of time, after which the claimant is allowed benefits. A few other states allow benefits, but at a reduced amount.

(ii) Court decisions. The question of whether a claimant has established sufficient "good cause attributable to the [employer]" to avoid disqualification for benefits after quitting work depends very much on the specific facts of each case. For example, the Vermont Supreme Court has held that a claimant who was not paid wages in a timely manner had good cause attributable to the employer to quit employment and, accordingly, was allowed benefits. Zablow v. Department of Employment Security, 137 Vt. 8 (1979). On the other hand, when the failure to timely pay compensation resulted from an innocent mistake rather than a deliberate or bad faith act on the part of the employer, the claimant's leaving work for that reason was not for good cause attributable to the employer and, consequently, he was disqualified for benefits. Cook v. Department of Employment & Training, 143 Vt. 497 (1983).

In several cases, the Vermont Supreme Court has stressed that before quitting work, a claimant must make some effort to bring job related complaints to the employer's attention, unless doing so would be useless, to allow it an opportunity to remedy the situation.

Discharge for Misconduct. Claimants are disqualified for benefits for between 6 and 12 weeks, after which they are allowed benefits, if they are discharged from employment for "misconduct" connected with their work. 21 VSA Section 1344(a)(1)(A). Heavier disqualifications are imposed in cases involving discharges for "gross misconduct."

For purposes of the unemployment insurance law, the term "misconduct" has a specialized meaning, and does **not** include instances of what the Vermont Supreme Court has called "errors in judgment", "unintentional carelessness or negligence", or, single "isolated" instances of what otherwise might be commonly understood as "misconduct." While an employer may be entirely justified in discharging a claimant in such instances, the discharge may not rise to the level of "misconduct" within the meaning of the unemployment compensation statute that would disqualify a claimant for benefits. In general, the "misconduct" provision of the unemployment insurance law is intended to temporarily disqualify from benefits those claimants who are discharged because of an

unwillingness, as opposed to an inability, to perform job duties.

(i) Other states. Vermont and 18 other states impose a temporary disqualification period of a number of weeks in cases involving discharges for misconduct. Most other states effectively disqualify claimants for benefits for the duration of their unemployment by imposing the so-called “earnings requirement” sanction, similar to that applied in Vermont to claimants who voluntarily leave work without good cause attributable to their employer (see “Voluntary quit”).

(ii) Court decisions. There is no statutory definition of “misconduct” in the unemployment compensation statute. However, the standard applied by the Department of Labor and the Vermont Supreme Court is the same as that adopted in virtually every other state: “misconduct” means acts which are in “substantial disregard of the employer’s interest, either willful or culpably negligent.” Johnson v. Department of Employment Security, 138 Vt. 554 (1980)

As with cases involving voluntary quits, the specific factual circumstances of cases involving discharges are crucial to the determination of whether the act that led to discharge amounts to “misconduct.”

Other disqualifications.

(i) Health leaving. A claimant is disqualified for benefits for between one to six weeks if he or she left employment because of a health condition, as certified by a health care provider, which “precludes the discharge of duties inherent in such employment.” 21 VSA Section 1344(a)(3). After the disqualification period, however, in order to receive benefits the claimant must, as any other claimant, establish that he or she is attached to the labor market in terms of ability and availability for work.

(ii) Discharge for Gross Misconduct. A claimant is effectively disqualified for the duration of unemployment following a discharge for “gross misconduct.” In order to qualify for benefits following a discharge for gross misconduct, the claimant must return to work and earn six times his or her weekly benefit amount. 21 VSA Section 1344(a)(2)(B). The term “gross misconduct” is not defined in the unemployment compensation statute. However, the term has traditionally been understood to include fighting in the workplace, appearing at work in an intoxicated or impaired state, vandalism, or other similar extreme acts of misconduct.

(iii) Conviction separations. A claimant is disqualified from benefits for a period between 6 to 12 weeks if he or she “became unable to perform . . . normal duties . . . in employment . . . because of the consequences which flow from his or her conviction of a felony or misdemeanor or from an action or order of a judge or court in any criminal or civil matter.” 21 VSA Section 1344(a)(1)(B).

EXTENSION AND SPECIAL UNEMPLOYMENT PROGRAMS

There are other unemployment programs beyond Regular benefits. In most cases, the weekly benefit amount is calculated the same as the Regular program. However, depending on the program, the duration of benefits could either be less or more than Vermont's standard 26 weeks under the Regular program. Programs with varying benefit amount calculation or duration different than the Regular program are noted below.

State Extended Benefits (EB):

During periods of high unemployment in Vermont, we will pay State Extended Benefits, commonly referred to as EB. Vermont utilizes both the mandatory and optional triggers, which are based on the insured unemployment rate or total unemployment rate. When the unemployment rate meets one of the three triggers, unemployed workers are found eligible for an additional 13 weeks of EB at the same Regular program weekly rate. Generally EB is funded 50% by the state and 50% by the feds. However, initial EB claims established before December 31, 2009 will be paid 100% by the feds.

Emergency Unemployment Compensation (EUC):

During nationally high unemployment periods, congress historically authorizes payment of EUC. In July of 2008, congress authorized the EUC08 program, which currently avails 20 more weeks of EUC benefits for those who are ineligible for Regular benefits. The EUC08 program is also paid at the same weekly rate as Regular benefits and is 100% federally funded. The EUC08 program also has a provision for 2nd Tier EUC payment for states with unemployment rates meeting the mandated triggers. Vermont triggered into the 2nd Tier EUC program with an additional 13 weeks (on top of the 1st Tier 20 week entitlement) becoming available to those that filed for and subsequent to week ending 02/21/09.

Trade readjustment Allowances (TRA)

The Trade Act of 1974, as amended, provides for adjustment assistance to workers who are unemployed because of the adverse effect of increased imports as a result of trade arrangements permitted under the Act or because of shifts in production outside of the United States. To be found eligible for TRA, a petition must be filed and approved by the Secretary of Labor. If the TRA worker meets the qualifying and eligibility requirements, her or she may receive up to 104 weeks of Basic and Additional TRA benefits. TRA benefits are also 100% federally funded and paid at the same weekly rate as Regular benefits.

Disaster Unemployment Assistance (DUA)

When authorized by the President, DUA may be paid to any individual unemployment as a result of a major disaster. The last time Vermont paid DUA was during the 1992 when down town Montpelier flooded. DUA is also 100% federally funded and is paid through the duration authorized. The weekly benefit amount is calculated and paid at the same as the Regular Program.

Short-time Compensation (STC)

The STC program is designed and intended to be a short term solution to avoid a temporary lay off of 1 or more workers for a period that will last at least 2 months, but not longer than 6 months. STC is a state program and financed 100% by the employer applying for and being approved for an STC plan, which details the reductions that are shared equally among all participants. While the maximum weekly benefit is calculated the same as the Regular program, the amount of the weekly payment is a % of their weekly benefit amount that is equal to the % of their work week reduction.

Unemployment Compensation for Federal Civilian Employees and Ex-Service Members

While each state administers and pays benefits for unemployed federal civilian employees (UCFE Program) and Ex-service members (UCX Program), all benefits paid under both programs are governed by federal code and 100% federally financed. If found eligible, all UCFE and UCX unemployed workers are eligible for the same number of weeks and amounts as those under the Regular unemployment compensation program.

INTEGRITY PROGRAMS

There are four programs whose main goal is to ensure the integrity of unemployment payments, disqualifications, and unemployment tax accounts are administered in accordance with Federal and State laws, policies and procedures.

The Benefit Accuracy Measurement (BAM) program is federally mandated. Their reviews are selected randomly each week, encompassing review of paid and denied claims. A paid claim audit validates all aspects related to the payment (base period wages, reason for separation, work search, employment, etc.). A denied claim audit very narrowly validates that the denial was proper.

The Tax Performance System (TPS) program is also federally mandated. This program reviews and validates compliance of all functions related to an unemployment tax account, to include but not limited to: receipt and posting of funds; establishment of liability; charges; credits; refunds; delinquency; auditing; and collection.

The Program Integrity Unit is mainly responsible for auditing and recovering overpaid unemployment benefits. The two most common reasons for a person being overpaid benefits stem from non-reported gross wages while filing and the individual stating they were laid off, with the employer later reporting they quit. Reports of new hires and wage records provided by employers are cross-matched with the benefit file weekly to identify individuals who might be filing claims for benefits and not reporting work and wages. Overpaid benefits are immediately credited back to taxable employers; employers who reimburse the unemployment trust fund are credited as the overpayment is recovered. Collection remedies to recover overpaid unemployment benefits include: voluntary payment plans; offset of future unemployment or tax refund; or attachment of future wages. In cases where fraud is found, an administrative penalty is imposed, which will result in denial of future benefits.

Finally the Unemployment Insurance and Wages Division have 10 Field Audit Representatives who review randomly selected employers and follow up on leads of non-reporting, new employers, or employers who are presumed out of business. The Field Audit Representatives are stationed throughout the state and are also responsible for conducting audits every quarter. Federally mandated audits include review of 1 year of reporting, which can be expanded to 3 years when warranted. Leads come from individuals filing claims for benefits, review of 1099 files provided by IRS, and cross-matching Tax Department and other databases.